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Exclusive: The Vietnamese Cellphone Company That Tried to Smuggle Missile Parts — and the Spies Who Stopped It

An inside look at "Team Telecom," the little-known U.S. national security unit charged with protecting America's telecommunications resources

Mark Harris · Follow
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Photo: Hoang Dinh Nam/Getty Images

A secretive U.S. national security unit dedicated to protecting America's telecommunications infrastructure foiled an attempt by Vietnam's leading cellphone company to smuggle cruise missile parts, *OneZero* can reveal.

Team Telecom is made up of representatives from Homeland Security, the Department of Justice (including the FBI), as well as the Department of Defense, and reviews foreign investments in U.S. communications assets for the Federal Communications Commission (FCC).

A previously unreported 2016 investigation into VTA Telecom, a subsidiary of Vietnam's state-owned phone company Viettel, uncovered efforts to procure and illegally export missile engines and guidance equipment. A Viettel executive, Huy Quang Bui, quietly pled guilty to the charges, served a short sentence in federal prison, and was deported to Vietnam.

The revelation that an Asian wireless operator was actively purchasing military hardware comes at a tough time for foreign technology companies hoping to operate in the U.S. In May, the FCC denied a license for China Mobile USA to operate in the U.S. following Team Telecom's recommendation that the move would "raise substantial and serious national security and law enforcement risks."

That same month, President Donald Trump signed an executive order giving the federal government the power to block U.S. companies from buying foreign telecom equipment that could pose a risk to national security. This move was aimed squarely at the Chinese networking giant Huawei amid concerns over cybersecurity and surveillance.

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Huy Quang Bui is not your stereotypical international arms smuggler. According to court documents, he was a diligent student growing up in the countryside outside Hanoi in the 1990s. His father was a teacher and the keeper of a local temple, while his mother worked in a Russian garment factory to put Bui through college.

When he graduated in 2007 with degrees in English and economics, Bui went to work at Viettel, the largest telecoms company in Vietnam. He was soon posted internationally, working on broadband for agriculture, health, and education projects in Cambodia and Haiti.

In early 2013, Viettel assigned Bui to Florida to promote the sale of telephone minutes to the Haitian and Peruvian diaspora by forming a local business, the VTA Telecom Corporation. The company's stated aim was to sell international calling cards, and ultimately to develop a Viettel phone network within the U.S.

The first step was for Bui to apply to the FCC for permission to provide phone services between the U.S, and Cambodia, Cameroon, Haiti, Laos, Mozambique, Peru, Timor-Leste, and Vietnam. VTA's application noted that it was 100% owned by Viettel, which is in turn "a 100% state-owned enterprise, under the management of the government."

> Viettel was interested in much more than just American subscribers. It wanted American weapons.

Top highlight

However, it did not inform the FCC that Viettel's Vietnamese name, Tập đoàn Công nghiệp Viễn thông Quân đội, translates to "Military Telecommunications Industry Group," and that the company is actually wholly owned and operated by Vietnam's Ministry of Defense.

In reality, Viettel was interested in much more than just American subscribers. It wanted American weapons.

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The FCC is responsible for licensing all telecoms services in the U.S. and must consider the public interest — including national security risks — when doing so. Without in-house expertise to assess those risks, the FCC defers to the executive branch, represented by Team Telecom.

Team Telecom was shown VTA's application in July 2013. In August, it asked the FCC to put the application on hold while it was reviewed for national security, law enforcement, and public safety issues. This was nothing unusual.

Team Telecom's assessments typically start with a long list of questions seeking to discover whether an applicant has connections to foreign governments, how significant those links might be, and whether the proposed telecom systems would be subject to outside surveillance or control.

> Bui's court case provides a rare glimpse into how U.S. national security agencies take down a rogue technology company.

Team Telecom's investigations can take months or even years in the case of a complex, multinational enterprise like China Mobile. And while Team Telecom is working, the application is stalled at the FCC — a process that FCC Commissioner Michael O'Rielly once described as "an inextricable black hole."

Bui's court case provides a rare glimpse into how U.S. national security agencies take down a rogue technology company. It is unclear from court documents which federal agency carried out the investigation into VTA Telecom, but it was probably sparked by Bui's increasingly suspicious behavior during 2015.

Although he was meant to be focusing on calling cards, Bui was also regularly asked by his superiors in Vietnam to procure various items for Viettel. Early that summer, Bui began negotiations for a sophisticated motion sensor used in commercial aircraft and satellites, but also in bombs, missiles, and torpedoes. Bui first advised the Connecticut-based manufacturer that the item would be used in California, then later admitted it would be sent to Vietnam.

In June 2015, he approached a Florida company about buying 10 video tracking systems. This time, there was no ambiguity about their intended use — the trackers were designated "significant military equipment" under U.S. International Traffic and Arms Regulations (ITAR), and thus subject to strict export controls. The U.S. government believes these trackers were ultimately exported without the necessary licenses.

Then in August, Bui attempted to purchase mechanical components for a missile from a third company. When the supplier told him the device was also ITAR-controlled, Bui responded that he did not have time to get an export license, and requested that his and VTA's name be removed from all paperwork in the deal.

It is possible that one or more of these companies tipped off one of Team Telecom's parent agencies because, by early 2016, a fully-fledged sting operation was underway.

Sandia Technical Supply LLC was supposedly a small defense equipment supplier based in Albuquerque, New Mexico, managed by one Robert Martinez. In fact, Sandia was nothing more than a Delaware-registered shell company, incorporated anonymously in 2014. Sandia's physical address is a downtown UPS store, its logo is lifted from clip art, and "Martinez" was an undercover federal agent. (Martinez does have a profile on LinkedIn, a platform known to be used in espionage operations.)

> Bui had progressed from selling telephone cards to shopping for engines made for the U.S. military's premier anti-ship cruise missile, the Harpoon.

Despite its paper-thin cover, Sandia Technical Supply fooled Bui. In a March 2016 email to Martinez discussing some kind of explosive bolt, Bui casually added: "We also have other requirement on turbines jet engine with spec as follow: turbojet Teledyne J402-CA-400. Major application: Harpoon."

Bui had progressed from selling telephone cards to shopping for engines made for the U.S. military's premier anti-ship cruise missile, the Harpoon.

Over the next few weeks, Martinez and Bui exchanged numerous emails. Several times, Martinez warned Bui that the Harpoon engines were controlled military parts and that he would need an export license from the State Department — a near-impossibility given America's long-standing embargo on selling arms to Vietnam.

Then Martinez dangled the bait. "We recommend doing this legally," he wrote to Bui, "but if you don't want to wait for all of that, we can deliver, but you must understand [that] our commission and shipping will be higher."

In May, Bui traveled to a Teledyne facility in Ohio with representatives of Sandia to see the J402 in person and made a $20,000 down payment. VTA ultimately ordered 11 engines and accessories for a total of $1.2 million.

Martinez supplied Bui with an End User Certificate, supposedly to smooth shipment to Vietnam. Bui wrote in it that the engines were destined for "unmanned aerial vehicles for the surveillance system in remote and tough area." But that was just the official line. In a separate email, Bui told Martinez that Viettel would need expert help to adapt the J402 for use as a "type of Harpoon missile."

On October 25, 2016, Bui was indicted in New Mexico District Court on two counts of trying to export defense equipment from the U.S. without the required licenses. He was arrested the next week in California. This is normal procedure in federal white collar crime prosecutions.

At his sentencing hearing nearly a year later, Bui told the court: "My actions have stemmed from my desire… to work in the United States, and [so] my child would have a better environment and more opportunities in the future. I had tried to take a shortcut, to complete my task short, fast and least expensive."

Bui's offenses could have earned him 20 years in prison, but the government agreed to a plea deal of just a year and a day. "We must balance the interests of what kind of things might be discussed in a trial that we don't want discussed, quite frankly," a prosecutor told the judge. "Methods of detection of these types of crimes are pretty closely-held secrets in the United States."

After serving his sentence, Bui was removed back to Vietnam, to rejoin his wife and child.

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Since the case, VTA has given up any pretense of being just a phone company. In September 2017, VTA employed a firm of Washington lawyers to lobby for them. In a filing required by the Foreign Agents Registration Act, the lawyers wrote that they would "meet with Members of Congress… as well as the Departments of State, Commerce, and Defense, to advocate on VTA/Viettel's behalf on matters pertaining to Vietnamese defense and national security."

VTA told *OneZero* that it "regrets the acts committed by its former employee, Mr Huy Bui, related to export controls," and that it has cooperated fully with the U.S, government's investigations. The company says it has replaced all the personnel involved in the matter, and implemented new export compliance policies and procedures "to remedy past actions and ensure future compliance with U.S. laws and regulations."

Nearly six years after VTA's initial filing, and with the president of its U.S. subsidiary having been convicted of arms smuggling, the FCC has still not decided whether Viettel is a fit applicant for a U.S. telecommunications license.

Neither the FCC nor the Team Telecom agencies responded to requests for comment.

Ironically, if Bui and Viettel had played by the rules, they probably would have been enjoying their cruise missile engines in Vietnam by now. Less than two weeks after Bui made his illegal down payment, then-President Barack Obama announced that the U.S. was lifting its arms embargo against Vietnam.

Eighteen months later, about the time Bui was being released from prison, President Trump went further. In remarks before meeting Prime Minister Nguyễn Xuân Phuc in Hanoi, he said, "We would like you to buy your equipment from the United States… The missiles are in a category that nobody even comes close.… We make the greatest missiles in the world."

Surveillance Vietnam Tech Industry Viettel

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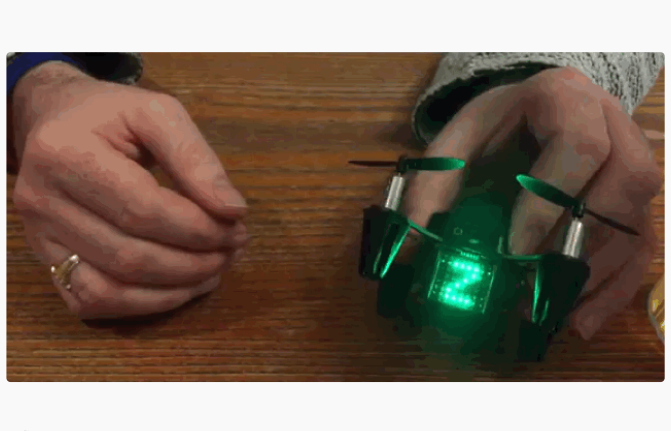

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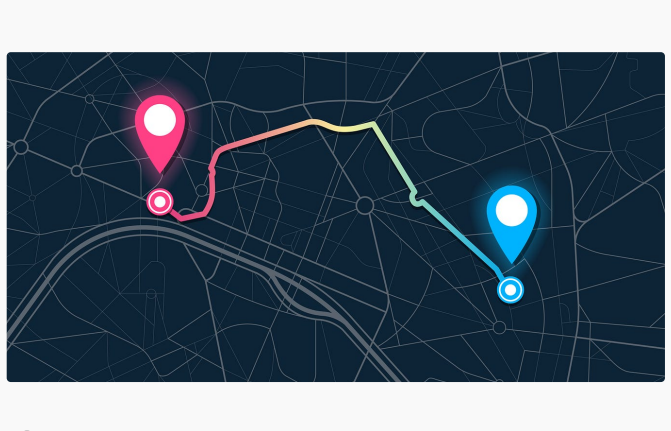

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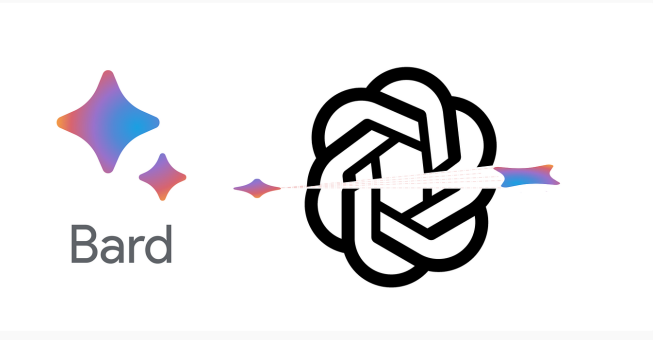

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